

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF BLUE GRASS) CASE NO. 9178
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1982, TO OCTOBER 31, 1984)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on November 20, 1984, scheduling a hearing to review the operation of the fuel adjustment clause of Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Blue Grass filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on April 4, 1984.

The Commission approved a transfer (roll-in) of (2.47) mills per KWH to the base rates of Blue Grass's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 9171. Approval of East Kentucky's proposal requires that Blue Grass also be authorized to roll in those same fuel costs to its base rates.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Blue Grass has complied in all material respects with the provisions of 807 KAR 5:056.

2. Blue Grass's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of (2.47) mills per KWH in Case No. 9171.

3. Blue Grass should be authorized to decrease the rates charged its customers by 2.61 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 9171 and applicable line loss, and this can best be accomplished by a uniform reduction in all energy rates.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

IT IS THEREFORE ORDERED that the charges collected by Blue Grass through the fuel adjustment clause for the period November 1, 1982, through October 31, 1984, be and they hereby are approved.

IT IS FURTHER ORDERED that Blue Grass be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 9171.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Blue Grass on and after June 1, 1985, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Blue Grass shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 8th day of May, 1985.

PUBLIC SERVICE COMMISSION

Richard D. Herman
Chairman

R. W. Dyer
Vice Chairman

Sam Chubb
Commissioner

ATTEST:

Acting Secretary _____

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9178 DATED 5/8/85

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GS - 1 (GENERAL SERVICE)

Rate:

Customer Charge (No Usage)	\$5.30 Per Meter, Per Month
First 600 KWH Per Month	.06811 Per KWH
All Over 600 KWH Per Month	.05774 Per KWH

GS - 1 T-O-D (GENERAL SERVICE T-O-D)

Rates:

On-Peak Rate:

Service Charge	\$ 5.30 Per Month
Under 600 KWH/Mo.	.06811 Per KWH
Service Charge	11.52 Per Month
Over 600 KWH/Mo.	.05774 Per KWH

Off-Peak Rate:

Under 600 KWH/Mo.	.03982 Per Month
Over 600 KWH/Mo.	.03360 Per Month

C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Rate:

Demand Charge

First 10 KW of Billing Demand	No Charge
Over 10 KW of Billing Demand	\$6.23

Energy Charge (Under 50 KW)

First	3,000 KWH	\$.06993 Per KWH
All Over	3,000 KWH	.05532 Per KWH

Customer Charge \$6.95

LP - #1 - LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 Per Month Per KW of Billing Demand

Energy Charge (51-500 KW)

First	10,000 KWH	\$.05045 Per KWH
Next	15,000 KWH	\$.04375 Per KWH
Next	50,000 KWH	\$.03815 Per KWH
Next	75,000 KWH	\$.03585 Per KWH
All Over	150,000 KWH	\$.03415 Per KWH

Customer Charge \$24.00 Per Month

LP - #2 LARGE POWER

Rate:

Maximum Demand Charge

\$6.23 per month per KW of Billing Demand

Energy Charge (Over 500 KW)

First	3,500 KWH	\$.05128 Per KWH
Next	6,500 KWH	.04301 Per KWH
Next	140,000 KWH	.03788 Per KWH
Next	200,000 KWH	.03633 Per KWH
Next	400,000 KWH	.03541 Per KWH
Next	550,000 KWH	.03449 Per KWH
All Over	1,300,000 KWH	.02922 Per KWH

Customer Charge \$24.00 Per Month

SECURITY LIGHTS

Rate Per Light Per Month:

175 Watt Mercury Vapor	Per Lamp Per Mo.	\$5.17
400 Watt Mercury Vapor	Per Lamp Per Mo.	7.86
100 Watt High Pressure Sodium	Per Lamp Per Mo.	6.78

STREET LIGHTING

Rate Per Light Per Month:

175 Watt Mercury Vapor	Per Lamp Per Mo.	5.17
400 Watt Mercury Vapor	Per Lamp Per Mo.	7.86
70 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	5.25
100 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	6.78
250 Watt High Pressure Sodium (ornamental)	Per Lamp Per Mo.	9.35

Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.